RECEIVED

JUL 3 0 2002

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Qwest Communications International, Inc.	)	
	)	WC Docket No. 02-148
Consolidated Application for Authority to Provide In-Region, InterLATA Services in Colorado, Idaho, Iowa, Nebraska, and North Dakota	)	

REPLY COMMENTS OF WORLDCOM, INC. ON THE APPLICATION BY QWEST COMMUNICATIONS INTERNATIONAL, INC. TO PROVIDE IN-REGION, INTERLATA SERVICES IN COLORADO, IDAHO, IOWA, NEBRASKA, AND NORTH DAKOTA

Marc A. Goldman
JENNER & BLOCK, LLC
601 13th Street, N.W., Suite 1200
Washington, D.C. 20005

(202) 639-6000

Lori E. Wright
Lisa B. Smith
WORLDCOM, INC.
1133 19th St., N.W.
Washington, D.C. 20036

(202) 736-6468

No. of Copies rec'd 0
List ABCDE

July 29, 2002

INTRODUCTION AND EXECUTIVE SUMMARY

Each day as WorldCom gains additional experience in the local market in Qwest territory, it becomes increasingly clear that Qwest's OSS contains deficiencies that impede wide-scale entry and that much about Qwest's OSS remains unknown. In fact, Qwest's OSS deficiencies have become more evident in the weeks since WorldCom filed its initial comments, and Qwest's processes are even more complex that we initially believed. Other key OSS defects described in WorldCom's initial comments remain unchanged.

As the Department of Justice ("DOJ") noted in its Evaluation, the high UNE pricing that was in effect for most of the period preceding Qwest section 271 application prevented any measurable degree of competition from developing in the Qwest territory. Therefore CLECs have not had significant opportunity to determine the readiness of Qwest's OSS through real commercial experience. But even the limited competition that has developed reveals key OSS problems, as a number of CLECs and the DOJ indicate. Taken together, these OSS issues show that Qwest's OSS is not yet ready for commercial volumes of orders.

The third-party test alone is not sufficient to show the readiness of Qwest's OSS. WorldCom's recent entry into the Qwest region already has revealed a number of serious deficiencies that remain in Qwest's OSS, as discussed in our initial comments. Indeed, WorldCom's reject rate in July has been approximately 33 percent in the Qwest region. This is twice as high as its reject rate in other regions in which WorldCom is ordering through Z-Tel systems.

Qwest must cure its OSS deficiencies before being granted section 271 relief. The impact of a positive Commission decision here would be even larger than has been the case for prior applications. Unlike other BOCs that initially applied for section 271 authority in an anchor state and then incrementally applied in additional states, Qwest has applied in five states, and a second multi-state application is pending. Unlike with prior applications by other BOCs, a decision to grant Qwest's application here is likely to result in section 271 authorization for almost the entire Qwest region. There will be little chance during the course of section 271 proceedings for other states in the Qwest region to correct issues that prove more significant than the Commission anticipated. The Commission therefore must reject Qwest's section 271 application until Qwest's OSS deficiencies are fixed.

In addition, Qwest must lower its excessive UNE rates by accurately reflecting the relative minutes of use in each of the four states that it benchmarks to Colorado. Making this adjustment would reduce the switch usage rate in Nebraska by 21.8 percent and would reduce the switch usage rate in North Dakota by 24.4 percent. Finally, Qwest must provide WorldCom with customized routing, as reconfirmed by the Commission's recent Virginia Arbitration decision.

The Commission should deny Qwest's section 271 application until Qwest fixes the important issues described herein.

TABLE OF CONTENTS

TABLE OF REPLY DECLARATIONS

Tab	Declarant	Subject
A	Sherry Lichtenberg	OSS
B	Chris Frentrup	Pricing

TABLE OF CITATION FORMS

FCC Orders	
Georgia/Louisiana Order	In re Joint Application by BellSouth Corporation, BellSouth Telecommunications, Inc. And BellSouth Long Distance, Inc. for Provision of In-Region, InterLATA Services in Georgia and Louisiana, CC Docket No. 02-35, Memorandum Opinion and Order, FCC 02-147 (rel. May 15, 2002).
Louisiana I Order	In re Application of BellSouth Corporation, et al. Pursuant to Section 271 of the Communications Act of 1934, as Amended, to Provide In-region, InterLATA Services in Louisiana, CC Docket No. 97-231, Memorandum Opinion and Order, 13 F.C.C.R. 6245, FCC No. 98-71(1998).
New Jersey Order	In re Application by Verizon New Jersey Inc., Bell Atlantic Communications, Inc. (d/b/a Verizon Long Distance), NYNEX Long Distance Company (d/b/a Verizon Enterprise Solutions), Verizon Select Services Inc. for Authorization To Provide In-Region, InterLATA Services in New Jersey, WC Docket No. 02-67, Memorandum Opinion and Order, FCC No. 02-189 (rel. June 24, 2002).
South Carolina Order	In re Application of BellSouth Corporation, et al Pursuant to Section 271 of the Communications Act of 1934, as Amended, to Provide In-region, InterLATA Services in South Carolina, CC Docket No. 97-208, Memorandum Opinion and Order, 13 F.C.C.R. 539, FCC No. 97-418(1997).

FCC Orders	
Texas Order	In re Application by SBC Communications Inc., Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance Pursuant to Section 271 of the Telecommunications Act of 1996 To Provide In-Region, InterLATA Services in Texas, CC Docket No. 00-65, Memorandum Opinion and Order, 15 F.C.C.R. 18354 (2000).
UNE Remand Order	In re Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98, Third Report and Order, 15 F.C.C.R. 3696 (1999).
Virginia Arbitration Order	In re Petition of WorldCom, Inc. Pursuant to Section 252(E)(5) of the Communications Act for Preemption of the Jurisdiction of the Virginia State Corporation Commission Regarding Interconnection Disputes with Verizon Virginia Inc., and for Expedited Arbitration, CC Docket No. 00-218, Memorandum Opinion and Order, DA 02-1731 (rel. July 17, 2002)
Declarations and Affidavits	
Frentrup Reply Decl.	Declaration of Chris Frentrup on Behalf of WorldCom Inc. (Tab B hereto).
Lichtenberg Reply Decl.	Declaration of Sherry Lichtenberg on Behalf of WorldCom Inc. (Tab A hereto).
Notarianni & Doherty Decl.	Declaration of Lynn M.V. Notarianni and Christie L. Doherty, on Behalf of Qwest Communications Int'l (Qwest App., Att. 5, App. A)
Other Materials	
Qwest July 10 *ex parte* letter	Letter from Peter D. Shields, Wiley Rein & Fielding, to Marlene H. Dortch, FCC, filed July 10, 2002
Qwest July 12 *ex parte* letter	Letter from R. Hance Henry, Qwest, to Marlene H. Dortch, WC Docket No. 02-148, filed July 12, 2002
Covad *ex parte* letter	Letter from Praveen Goyal, Covad, to Marlene H. Dortch, FCC, WC Docket No. 02-148, filed July 23, 2002.
July 22 *ex parte* letter	Letter from David L. Sieradzki, Hogan & Hartson, to Marlene H. Dortch, FCC, WC Docket No. 02-148, filed July 22, 2002.
DOJ Eval.	Evaluation of the United States Department of Justice, In Re Application by Qwest Communications for Authorization to Provide In-Region, InterLATA Services in the States of Colorado, Idaho, Iowa, Nebraska, and North Dakota, WC Docket No. 02-148, issued July 23, 2002

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Qwest Communications International, Inc.	)	
	)	WC Docket No. 02-148
Consolidated Application for Authority to Provide	)	
In-Region, InterLATA Services in Colorado, Idaho,	)	
Iowa, Nebraska, and North Dakota	)	
	)	

REPLY COMMENTS OF WORLDCOM, INC. ON THE APPLICATION BY QWEST COMMUNICATIONS INTERNATIONAL, INC. TO PROVIDE IN-REGION, INTERLATA SERVICES IN COLORADO, IDAHO, IOWA, NEBRASKA, AND NORTH DAKOTA

Qwest's application for section 271 relief in Colorado, Idaho, Iowa, Nebraska, and North Dakota should be rejected. First, Qwest's OSS deficiencies have become more evident in the weeks since WorldCom filed its initial comments, and by themselves, they deny CLECs a meaningful opportunity to compete. Second, Qwest's UNE rates continue to be excessive and preclude mass-market entry on a statewide basis in any of the states for which Qwest has applied. Third, Qwest is not providing customized routing for purposes of transporting OS/DA traffic, which is inconsistent with Commission precedent, particularly the Commission's recent Virginia Arbitration decision.

I. QWEST MUST RESOLVE NUMEROUS OSS DEFICIENCIES

Qwest's OSS deficiencies have become more evident in the weeks since WorldCom filed its initial comments. Qwest's pre-ordering and ordering process is even more complex than WorldCom previously understood, forcing WorldCom to spend scarce resources in an attempt to compensate for Qwest's deficiencies, resulting in an inefficient process that requires customer service representatives to spend far too long on the line with customers, and continuing to result in order rejections at a rate approximately double that in other regions. Other key defects in Qwest's OSS remain unchanged. WorldCom has found these problems even with today's very low order volumes. Qwest received only 6,417 UNE-P orders via EDI in June – a very small number of orders. (Qwest Perf. Results, (PO-2A-2). Qwest's problems are likely to grow far worse as order volumes increase.

A. Qwest's Pre Ordering And Ordering Processes Are Complex

In WorldCom's initial comments, we discussed two aspects of Qwest's ordering process that made that process more complex than the process in any other region of the country: Qwest's requirement that CLECs include a service address on every UNE-P migration order and Qwest's requirement that CLECs list a customer's existing features on every order. As WorldCom has begun to gain commercial experience, it has come to understand that Qwest's process is even more complex than it previously imagined – in ways that differentiate Qwest from every other BOC.

Unlike in other BOC regions, a CLEC in Qwest territory must begin its pre-order inquiries by using the address validation function, which requires the customer service representative to type in the customer's address. For some reason, in response to an address validation request, Qwest will often return a number of possible addresses, rather than simply saying that the entered address is valid. The customer service representative must then choose the correct address from among these addresses in consultation with the customer. Lichtenberg Reply Decl. ¶¶ 6-7.

The CLEC's customer service representative must next obtain the customer's Customer Service Record ("CSR"). This is not as easy as it seems, however, because in approximately 10 percent of cases Qwest returns multiple CSRs in response to a CSR inquiry. These may include CSRs that describe a customer's previous account but not the current account, for example. As with the address validation function, the CLEC's customer service representative must determine which CSR is correct in consultation with the customer. Lichtenberg Reply Decl. ¶¶ 8-9.

Once the CLEC has determined which CSR is correct, it must obtain several pieces of information from the CSR in order to place them on the order. The CLEC must include the customer's service address on the order. The CLEC must include the customer's existing "line class code" on the order. The CLEC must include the customer's "customer code" on the order – a unique code assigned by Qwest to every retail customer. Finally, for every feature the customer orders, the CLEC must include a code to indicate whether that feature is one the customer already has or is a new feature the customer wishes to have for the first time.[1] If the CLEC does not accurately describe whether it is a new feature or not, the order will be rejected. Lichtenberg Reply Decl. ¶¶ 11-12.

All of these requirements are unique to Qwest. In other regions, CLECs do not have to perform an address validation function in order to place a migration order, and, if they do decide to perform this function, they can access the function based on telephone number rather than address. In other regions, CLECs do not have to determine which of

[1] This description of what is required with respect to features is somewhat different than we had understood previously. The CLEC does not have to list every old feature on the order, but does have to determine which features the customer had as part of his retail service in order to determine which of the features the

multiple CSRs are correct. The BOCs in those regions return only one CSR in response to a CSR inquiry. In other regions, CLECs do not have to include the service address, the customer code, the line class code, or any information about the customer's existing features on a UNE-P migration order. Lichtenberg Reply Decl. ¶ 13.

The complexities of Qwest's process significantly limit a CLEC's ability to compete. First, a CLEC customer service representative must spend too much time on the phone with each customer. The representative must type in the customer's address, perform an address validation function, discuss with the customer which of multiple addresses is correct, and discuss with the customer which of multiple CSRs is correct – all before discussing with the customer the features that he or she would like. In a high volume, mass markets business, it is critical that customer service representatives operate efficiently and do not waste time on the phone with customers performing unnecessary functions. Moreover, customers may become impatient after being asked several times to list their address, verify which address returned is correct, and verify which CSR returned is correct. Lichtenberg Reply Decl. ¶ 14.

Second, Qwest's complex ordering process forces CLECs to spend far more resources than they should have to in order to develop a working interface. For example, WorldCom's partner in the Qwest region, Z-Tel, has been forced to develop the capacity to display multiple CSRs on the desktops of customer service representatives, a capacity that is not needed in any other region and that Z-Tel had no reason to believe would be needed in Qwest. Attempting to integrate pre-ordering and ordering interfaces in Qwest is also much more costly than elsewhere because of the need to include so much extra

customer now wishes to order is new. The CLEC also has to list the customer's retail line class code on the order, as well as the new line class code.

information from the CSR on each order. Lichtenberg Reply Decl. ¶¶ 10, 15. Indeed, Hewlett Packard noted the complexity of developing integrated pre-ordering and ordering interfaces during testing. Notarianni & Doherty Decl., LN-OSS 11 at 9, 25-27.

Third, CLECs face a much higher reject rate in the Qwest region than elsewhere. Because CLECs must determine which service address is accurate and which CSR is accurate and must then pull many pieces of information from the CSR to place on an order, there is far more possibility of error on Qwest orders than on orders in other regions. Successful integration of pre-ordering and ordering interfaces becomes extremely difficult. The result is a high reject rate. Lichtenberg Reply Decl. ¶ 16.

WorldCom's reject rate in July has been approximately 33 percent in the Qwest region. This is twice as high as its reject rate in other regions in which WorldCom is ordering through Z-Tel systems. This is so even though WorldCom began placing orders through Z-Tel systems at the same time (i.e., April 15, 2002) in each region. Absent problems with Qwest's OSS, we would expect the same reject rate in the Qwest region as in other regions. Lichtenberg Reply Decl. ¶¶ 2-3.

WorldCom's reject rate is not atypical. Region-wide, Qwest rejected 37.8% of the orders it received via the IMA GUI in June and rejected 32.31% of the orders it received via EDI (Perf Results, PO-4A-1, 4A-2, 4B-1, 4B-2). These are extremely high reject rates and have a major impact on CLECs. WorldCom must spend time and effort correcting each reject. This not only wastes resources but also delays the ultimate completion of the order. These difficulties are magnified in the Qwest region because the orders that WorldCom is submitting to correct rejects are themselves frequently rejected. Lichtenberg Reply Decl. ¶22.

In its Evaluation, the DOJ notes the high reject rate in the Qwest region, DOJ Eval. at 15, and also notes that among the fundamental causes of this high reject rate are the requirement to include a service address on every order and the requirement to list a customer's existing features on every order. The DOJ did not resolve whether these systems issues warranted denial of Qwest's application, DOJ Eval. at 16, instead preferring to discuss them in the context of manual handling issues. But the most critical problems caused by these systems issues are not related to manual handling. Instead, the problems are the complexity of the pre-order/order process itself, the resources needed to develop a workable interface, and the high reject rate. Lichtenberg Reply Decl. ¶ 18.

As to the high reject rate, the DOJ is incorrect that the reject rate in Qwest is similar to that in the BellSouth region at the time of BellSouth's Georgia/Louisiana application. DOJ Eval. at 15 n.61. The reject rate in the Qwest region is far higher. Moreover, the high reject rate in the Qwest region is related to the complexity of Qwest's systems. In other regions, for example, WorldCom's reject rate fell significantly after implementation of migration by telephone number – just what occurred in BellSouth in November 2001. But Qwest has not simplified its ordering process in this way. Lichtenberg Reply Decl. ¶¶ 17-18.[2]

Qwest may argue that these systems issues are being resolved through the change management process. That is true. WorldCom has issued a change request that would

[2] Qwest's assertion in a July 29 *ex parte* letter that Hewlett Packard was able to achieve a low reject rate during testing does not include all of the orders that were returned to Hewlett Packard for correction. Hewlett Packard's actual reject rate during testing was well over 30 percent, as evident from the final test report. As for Qwest's assertion about a CLEC called New Access, one month's worth of data from a single CLEC with an unknown order mix and a very low order volume hardly demonstrates that Qwest's systems are acceptable – especially since the complexity of Qwest's systems has significant harmful consequences beyond its impact on reject rates. Moreover, with the exception of New Access's reject rate in June, the reject rate for CLECs is almost uniformly very high across the region. *See* Qwest July 17 confidential *ex parte* letter.

enable CLECs to transmit orders based on name and telephone number and WorldCom's partner Z-Tel has issued a change request for industry standard "migration as specified" ordering that would enable CLECs to list only the features a customer desires going forward without reference to prior line class code or features. These two change requests would greatly simplify the pre-order/order process and significantly reduce the problems discussed above. Lichtenberg Reply Decl. ¶¶ 23-24.

CLECs have prioritized the request for "migration as specified" second among CLEC change requests and have prioritized the request for migration by name and telephone number nineteenth. As a result, both will likely eventually be implemented. But the earliest either will be implemented is April 2003. Lichtenberg Reply Decl. ¶¶ 25-26. And there is not yet any assurance they will be implemented even then – or that they will be implemented effectively. That is insufficient.

The fact that important systems defects may eventually be resolved through change management does not warrant approval of Qwest's section 271 application today. That this is so is apparent from considering a hypothetical BOC section 271 application in which the BOC had yet to undertake any significant OSS development. Surely in such circumstances the BOC could not argue that it had in place an acceptable change management process, that all important CLEC requests for changes had been prioritized, and that all would ultimately be implemented. An effective process of ensuring future improvements would not substitute for working OSS. Lichtenberg Reply Decl. ¶ 27.

The same is true for Qwest. In order to warrant section 271 approval, Qwest's OSS must be ready today and must afford CLECs a meaningful opportunity to compete. Qwest's OSS is not ready. The complexities of Qwest's pre-order and order process are entirely unnecessary. They make real competition extremely difficult if not impossible. They must be eliminated before Qwest gains section 271 approval.

B. Qwest's Process For Placing Orders For Account Maintenance Also Is Complex

Qwest's pre-ordering/ordering process is remarkably complex not only with respect to placement of initial CLEC UNE-P orders but also with respect to supplemental orders for account maintenance – such as orders to change the features on a customer's account. Such orders should be simple because the CLEC will already have imported all information about a customer's account into its own database and thus should not have to engage in the pre-ordering process at all. Lichtenberg Reply Decl. ¶ 28.

But Qwest requires a CLEC to include the customer code on account maintenance orders as well as initial orders – and Qwest changes the code before CLECs can submit the account maintenance orders. The code is a different code than existed at the time the CLEC placed an initial order on the account. Thus, the CLEC cannot rely on the customer code it obtained at the pre-order stage when placing its initial order and that it imported into its own database. The CLEC must repeat each of the pre-order steps and obtain the new customer code from the CSR. Such duplicative effort greatly complicates the process of placing account maintenance orders. Lichtenberg Reply Decl. ¶ 29.

This is another reason that it is vital for CLECs to be able to place orders by name and telephone number as they can in other regions – without use of either customer code or street address. It will enable CLECs to place account maintenance orders based on information in their own databases.

Qwest's systems lead to frequent rejection of account maintenance orders for a second reason as well. After an initial CLEC order, Qwest will reject account maintenance orders for that account until it has updated the CSR to reflect CLEC ownership of the account. Qwest has informed WorldCom that this typically takes 5 to 7 days and sometimes takes up to 30 days. This is entirely unacceptable. Customers frequently request new features soon after migration, as they change their mind about what they would like on their account. It is critical that CLECs are able to place account maintenance orders relatively soon after migration. Yet so far Qwest has indicated that it will likely reject an AT&T change request that it update CSRs in 24 hours. Lichtenberg Reply Decl. ¶¶ 30-31.

C. Qwest Transmits Jeopardies That Should Be Rejects

Qwest has not taken any steps to alter its practice of rejecting some orders by transmitting jeopardies after firm order confirmations ("FOCs"). As WorldCom explained in its initial comments, even after Qwest transmits a FOC informing the CLEC that it has accepted an order and will provision it on a particular day, Qwest sometimes subsequently transmits a jeopardy informing the CLEC that it must correct something on the order before the order can be provisioned. That jeopardy in effect operates as a reject.

In *ex parte* filings, Qwest attempts to justify transmission of such jeopardies.[3] But all that Qwest succeeds in doing is to show that jeopardies after FOCs are justified when they serve to inform the CLEC that an order cannot be provisioned on a particular day because, for example, the necessary facilities do not exist. Qwest does not – and cannot – justify transmission of jeopardies that are the equivalent of rejects, that require CLECs to take steps to correct the orders. Lichtenberg Reply Decl. ¶ 33.

[3] Qwest July 10 *ex parte* letter, Tab 6.

Moreover, even for those jeopardies that Qwest properly transmits, it takes too long to transmit the jeopardies. Qwest's performance in returning jeopardy notices remains worse for CLECs than for itself region wide. (Perf Results PO-8D).

D. Qwest Does Not Show That It Can Effectively Process Orders Manually

The DOJ properly questioned Qwest's ability to accurately process orders with today's high level of manual processing. The data Qwest submits in *ex parte* filings confirm that such a problem continues.

To begin with, Qwest's data show that overall flow-through of UNE-P orders was even lower in June than in prior months – a paltry 50.9%. (PO-2A-2) Flow-through of eligible UNE-P orders transmitted via EDI also remained low – at only 86.4% (PO-2B-2), even though all orders designed to flow through should flow through. And Qwest's poor flow-through is not the result of variation among CLECs. Qwest's data show that Qwest is manually processing a high percentage of orders for every CLEC that is submitting a relatively high volume of orders. The highest flow through percentage for any CLEC that had submitted at least 5,000 orders in a month was 76% -- not a very high flow through percentage.[4]

Qwest's data further show a high percentage of errors on those orders that Qwest does process manually. Qwest's data show that a high percentage of manually processed LSRs are immediately rejected by the Service Delivery Coordinators.[5] Qwest's data also show that measured as a percentage of all unbundled loop orders, 6 percent of the orders contain human errors.[6] The error percentage would presumably be much higher if only manually processed orders were included. Although Qwest indicates that most of these

[4] Qwest July 12 *ex parte* letter.
[5] Qwest July 12 *ex parte* letter.

errors do not harm CLECs, such a high percentage of errors is indicative of a significant problem.

Qwest's performance data also shows results that are quite poor. Qwest changes due dates more for CLECs than for itself in every month from December through May, and this is likely the result of manual processing. (PO-15). Moreover, Qwest's new measure of service order accuracy shows that Qwest made errors in processing POTS resale orders, nearly 10 percent of the time. (PO-20). This is very poor performance even accepting these non-audited results for a single month as accurate.

And these results exist with today's low order volumes. Unlike other BOCs that have applied for section 271 authorization with poor flow through rates, Qwest cannot show that it is able to effectively process manual orders with substantially increasing order volumes. Ordering volumes in the Qwest region remain extremely low. The error rate in the Qwest region is likely to skyrocket if CLECs ever began placing commercial volumes of orders.

E. Qwest Takes Three Days To Process UNE-P Orders

Qwest has not altered the required interval for processing UNE-P orders. The interval for processing UNE-P orders is three days if the orders include any feature changes. In contrast, every other BOC will process UNE-P orders with feature changes on the same day the orders are placed. This is because such orders require nothing more than a translation change in the switch. Lichtenberg Reply Decl. ¶ 39.

Qwest's policy has a dramatic effect on WorldCom. Every Neighborhood order involves a feature change, becauseWorldCom offers a standard package of features.

---

[6] Qwest July 10 *ex parte* letter, Tab 5.

Thus, every WorldCom UNE-P order will take at least 3 days to provision. This is likely to be unacceptable to many customers.

F. Qwest Has Not Shown That It Provides Auditable Electronic Bills

The DOJ correctly concluded that Qwest has not shown that it provides auditable electronic bills. At the time that Qwest applied for section 271 authorization, the only electronic bills it provided were in CRIS format. This format is not industry standard, and indeed varies among Qwest's three billing centers. Such variation makes it more difficult for CLECs to handle such bills.

Although Qwest claims in an *ex parte* letter that its CRIS bills are auditable, Qwest's CRIS bills lack key information needed for auditing.[7] Lichtenberg Reply Decl. ¶ 42. For example, in two of its three billing centers, Qwest does not provide the Universal Service Ordering Codes that it acknowledges are "important for bill validation."[8]Nowhere in Qwest's *ex parte* letter does it say that this information is included in the CRIS bills.

On July 1, Qwest did for the first time provide industry standard CABS BOS bills. In theory, these bills can be audited. But as the DOJ found, these bills have been implemented too recently to determine whether they are fully auditable and accurate. DOJ Eval. at 23. Qwest should have begun providing auditable CABS BOS bills before applying for section 271 authorization.

G. Qwest's Maintenance and Repair Continues To Be Unsatisfactory

As KPMG found during testing, Qwest is unable to fix troubles on CLEC lines the first time it tries. This problem continues, as evident from Qwest's own performance

[7] July 10 *ex parte* letter, Tab 1.
[8] July 10 *ex parte* letter, Tab 1 at 4.

data. For UNE-P customers, on trouble tickets for which no dispatch was required, Qwest failed to fix the trouble 16.7 percent of the time on the first try in June. This continued to be out of parity with its retail performance, just like in prior months. (MR-7C).

H. Qwest Has Not Yet Demonstrated a Pattern of Compliance With Its Change Management Plan

Qwest has yet to demonstrate a pattern of compliance with its new change management plan. Key parts of that plan were implemented for the first time in April. Although the DOJ states that Qwest has complied with some earlier-implemented components of the change management plan, in reality, Qwest deviated significantly from its plan. Lichtenberg Decl. ¶ 77. Eschelon provides further evidence of this in its Comments.[9] It is therefore essential that Qwest meet the Commission's requirement of demonstrating a pattern of compliance with its new plan.

I. Qwest Lacks An Independent Test Environment That Mirrors Production

Qwest's test environment, SATE, fails to meet the Commission's requirement of an independent test environment that mirrors production. Although the Commission has not required that a test environment be identical to production, DOJ Eval. at 29, it has never allowed a BOC to gain section 271 authority where the messages returned during testing differ significantly from those in production. Qwest acknowledges that 22 percent of the error messages in SATE are different than those in production.[10] These include important error messages, such as errors related to address validation. Moreover, not only do the error messages differ, but in some cases, results differ in other important

[9] Eschelon Comments at 4-6.
[10] July 10 *ex parte* letter, Tab 14.

ways – such as acceptance of an address validation inquiry in SATE that would not be accepted in production. Lichtenberg Reply Decl. ¶ 46.

Qwest argues that it identifies the error messages that differ between production and SATE. But this is of only limited assistance to CLECs. When the CLEC receives an error message in SATE that differs from that in production, the CLEC has no way of determining whether it will receive the proper error message in production. Moreover, Qwest does not even document differences other than differences in error messages. Lichtenberg Reply Decl. ¶ 46.

Qwest also indicates that CLECs can place change requests for error messages to be added to SATE. But CLECs should not have to place individual change requests based on individual error messages to obtain something as basic as a test environment that mirrors production. Finally, because CLECs do not know all of the differences between SATE and production, even placing hundreds of change requests would not result in a test environment that mirrors production. Qwest must provide such an environment without waiting for CLECs to determine specifically what changes need to be made.

The Colorado PUC described SATE as a "significant loose end" remaining in this application. Colorado PUC Comments at 52. The DOJ described the absence of performance data showing that SATE mirrors production as a "large, unresolved concern." DOJ Eval. at 30. It is more than that. SATE must mirror production before Qwest gains section 271 authorization.

II. QWEST EXHIBITS DEFICIENCIES IN DSL LOOP AND LINE SHARING PROVISIONING

A. Qwest Still Has Not Demonstrated That Its Loop Qualification Database Returns All Loop Make-Up Information

WorldCom agrees with Covad that even Qwest's recent filings do not demonstrate that competitors receive access to all loop make up information available to Qwest personnel.[11] Qwest has not shown that its loop qualification database provides competitors, like WorldCom and Covad, with all available loop make-up information. Specifically, as we explained in initial comments, Qwest's loop qualification database does not provide information on whether redundant copper facilities are available to serve an end-user that is currently served by fiber.[12] Qwest's July 10 *ex parte* letter does not address the issue of whether its loop qualification database contains information about spare copper facilities.[13]

Interestingly, in the Commission's Triennial Review proceeding, Qwest is using its maintenance of spare copper facilities to show that competitors are not impaired without access to Qwest's fiber-fed loops.[14] In that proceeding, Qwest claims that it will not remove copper facilities where it has deployed fiber. Yet, Qwest does not show here that its loop qualification database provides DSL competitors, like WorldCom and Covad, with information regarding the existence of spare copper facilities. Until Qwest makes such a showing, it has not demonstrated it provides competitors will all relevant loop make-up information.

[11] *See*.Covad *ex parte* letter at 2.
[12] WorldCom Comments at 24-25.
[13] *See* Qwest July 10 *ex parte* letter at Tab 9, at 24-25.
[14] *See* Comments of Qwest Communications, CC Docket No. 01-338, dated April 12, 2002, at 45-46.

B. It Is Not Clear Whether Qwest's New Central Office Process Will Remedy The Erroneous Issuance of SOCs

In response to concerns raised by competitors regarding its issuance of erroneous SOCs for line sharing orders,[15] Qwest instituted changes in the way its central office technicians handle such orders.[16] Specifically, Qwest issued a new management directive that any line sharing order not completed by 4 p.m. should be placed in jeopardy status. Although this new process -- the Central Office Job Aid -- will assist in notifying competitors when their orders are delayed, it is unclear whether it will result in issuing a SOC only when the *actual* central office work is *completed*.[17] In other words, it is not at all clear whether Qwest's new process will correct the problem of Qwest automatically generating SOCs on the due date of the order. This is critical. If Qwest issues a SOC before the work is completed, the CLEC's systems will show the work as completed, resulting in significant difficulty if the customer calls to report that DSL was never installed.

III. QWEST MUST MAKE ADDITIONAL CORRECTIONS TO ITS UNE RATES

WorldCom in its initial comments described two problems with Qwest's benchmarking methodology that result in inflated UNE rates and a price squeeze.[18] Qwest has acknowledged the first problem – the inclusion of sold exchanges in its benchmarking analysis -- and has committed to filing revised rates accordingly. Specifically, WorldCom and AT&T explained in initial comments that in performing its benchmarking analysis to Colorado rates, Qwest neglected to account for its sale of high-

[15] *See, e.g.*, WorldCom Comments at 25.
[16] *See* Qwest July 12 *ex parte* letter.
[17] WorldCom Comments at 25.

cost exchanges in Idaho, Iowa, and North Dakota.[19] Qwest has recognized this problem and will reduce its rates accordingly by filing with state regulators revised SGATs.[20]

But Qwest has not yet corrected the second problem with its benchmarking analysis. Specifically, Qwest continues to fail to accurately account for the relative minutes of use in each of the four states that it benchmarks to Colorado. This results in excessive switch usage rates in Nebraska and North Dakota. Significantly, using state specific minutes of use per-line would result in a 24.4 percent reduction in switch usage rates in North Dakota and 21.8 percent reduction in Nebraska. Frentrup Reply Decl. ¶ 8.

In recent *ex parte* letters, Qwest has made several arguments as to why it should not use state-specific minutes-of-use in making demand assumptions.[21] First, although Qwest acknowledges that it possesses state-specific minutes-of-use per-line by state, it claims that it does not possess studies that would show state-specific data on the amount of interoffice calls versus intraoffice calls, originating calls versus terminating calls, or tandem versus direct-routed calls, all of which are necessary to perform the benchmark analysis.[22] But Qwest fails to explain why it would be improper to use state-specific minutes in conjunction with the Commission's standard assumptions for interoffice/intraoffice calls, originating/terminating calls, and tandem/direct-routed calls. Using a combination of state-specific minutes and, where necessary, standard assumptions, better reflects different market conditions in the states than using the same

---

[18] WorldCom Comments at 27-32.
[19] WorldCom Comments at 28, Frentrup Decl. ¶¶ 2, 6-8.
[20] *See* July 22 *ex parte* letter. Incorporating the lower SM loop costs into Qwest's benchmark analysis will result in a a reduction in loop rates of 0.9 percent in Idaho, 2.9 percent in Iowa, and 8.4 percent in North Dakota. Similarly, total non-loop costs in the SM fell by 2.1 percent in Iowa and by 14.2 percent in North Dakota after removal of these exchanges.
[21] *See* July 22 *ex parte* letter, Attachment at 3-6.
[22] *See* July 22 *ex parte* letter, Attachment at 3.

set of minutes in all the states, and is therefore more accurate and appropriate. Frentrup Reply Decl. ¶ 5.

Qwest also claims that using the standard assumptions for all states will allow it to simplify its multi-state applications and avoid controversy.[23] However, developing the state-specific minutes of use in the manner described above is straightforward, not burdensome, and, because it is more precise, should help alleviate controversy. Use of state-specific minutes of use assumptions will more accurately reflect the costs that will be incurred by purchasers of UNEs. As the Commission has stated, the demand of the average customer is "the single most informed estimate" of potential CLEC demand.[24] Moreover, it would be unfair for this Commission to allow BOCs to rely on state-specific minutes when it results in higher rates but to allow other BOCs to rely on standard assumptions when it results in higher rates.

The use of state-specific minutes for the four states in this application that rely on the benchmark methodology would require reductions in Nebraska of 21.8 percent and 24.4 percent in North Dakota and allow *de minimis* increases for the Idaho and Iowa. Frentrup Reply Decl. ¶ 7. Qwest's implicit claim that use of the standard assumptions throughout its region would result in roughly the same rates overall is simply incorrect. Frentrup Reply Decl. ¶ 6.

As described in our initial comments, the errors that Qwest makes in setting its UNE rates, described above, contribute to a price squeeze that prevents statewide residential competition in all five states.[25] WorldCom is able to offer our premium-priced Neighborhood product in only certain parts of Colorado, Iowa, and North Dakota. For

---

[23] *See* July 22 *ex parte* letter, Attachment at 3.
[24] New Jersey 271 Order ¶ 54.

now, a price squeeze prevents wider entry.[26] Qwest must correct these errors to allow for wider-scale local competition in its region.

IV. THE COMMISSION'S RECENT VIRGINIA ARBITRATION DECISION MAKES CLEAR THAT QWEST MUST PROVIDE CUSTOMIZED ROUTING TO WORLDCOM

The Commission's recent Virginia Arbitration decision reconfirms that Qwest must provide customized routing to WorldCom in the way that WorldCom has requested.[27] Until it does so, Qwest does not meet checklist items 2 and 7. As described in our initial comments, WorldCom is entitled to designate the particular outgoing trunks that will carry calls from Qwest's switch to our Operator Services and Directory Assistance ("OS/DA") platform.[28] In this way, we can self-provision OS/DA services to our customers. Qwest maintains that WorldCom must purchase direct trunks dedicated to OS/DA traffic from each of Qwest's end offices to WorldCom's switches, rather than permitting WorldCom OS/DA traffic to travel over Feature Group D trunks, or common transport, to WorldCom's network.[29]

In the Virginia Arbitration decision, the Commission stated that "[c]ustomized routing permits a *requesting carrier* to specify that the incumbent LEC route, *over designated trunks* that terminate in the requesting carrier's operator services and directory assistance platform, operator services and directory assistance calls that the requesting carrier's customers originate."[30] Accordingly, the Commission required Verizon to

---

[25] WorldCom Comments at 32.
[26] WorldCom Comments at 32-34.
[27] *See also* UNE Remand Order ¶ 441, n.867; Louisiana II Order ¶ 221.
[28] WorldCom Comments at 35.
[29] Id.
[30] Virginia Arbitration Order ¶ 533, citing UNE Remand Order at ¶ 441, n.867 (emphasis added).

reflect in its interconnection agreement its commitment to provide customized routing for OS/DA calls over WorldCom's Feature Group D trunks.[31]

Again the Commission has made clear that WorldCom, not Qwest, may designate the trunks over which Qwest will route WorldCom's OS/DA traffic. Qwest has no right to decide that WorldCom must establish separate trunks. Qwest's failure to provide customized routing in the form that WorldCom has requested constitutes a violation of section 251(c)(3) of the Act and checklist items 2 and 7 in section 271.

[31] Virginia Arbitration Order ¶ 535.

CONCLUSION

Qwest's section 271 application for Colorado, Idaho, Iowa, Nebraska, and North Dakota should be denied, for the reasons described above.

Respectfully submitted,

Lori E. Wright

Lori E. Wright
Associate Counsel
WorldCom, Inc.

Marc A. Goldman
JENNER & BLOCK, LLC
601 13th Street, N.W., Suite 1200
Washington, D.C. 20005

(202) 639-6000

Lori E. Wright
Lisa B. Smith
WORLDCOM, INC.
1133 19th St., N.W.
Washington, D.C. 20036

(202) 736-6468

July 29, 2002

CERTIFICATE OF SERVICE

I, Lori Wright, do hereby certify that on this 29th day of July, 2002, I have caused a copy of WorldCom, Inc.'s Reply Comments in the matter of WC Docket No. 02-148, *Application by Qwest Communications International, Inc. for Authorization Under Section 271 to Provide-In-Region InterLATA Service in the States of Colorado, Idaho, Iowa, Nebraska and North Dakota* to be served electronically on the following:

Marlene H. Dortch **
Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Janice Myles **
Wireline Competition Bureau
Federal Communications Commission
jmyles@fcc.gov

Michael Carowitz **
Wireline Competition Bureau
Federal Communications Commission
mcarowit@fcc.gov

Jon Minkoff **
Federal Communications Commission
jminkoff@fcc.gov

Ty Cottrill **
Federal Communications Commission
tcottrill@fcc.gov

Rodney McDonald **
Federal Communications Commission
rlmcdona@fcc.gov

Guy Benson **
Federal Communications Commission
gbenson@fcc.gov

Michael Engel **
Federal Communications Commission
mengel@fcc.gov

Elizabeth Yockus **
Wireline Competition Bureau
Federal Communications Commission
eyockus@fcc.gov

Steve Morris **
Federal Communications Commission
smorris@fcc.gov

Sharon Lee **
Wireline Competition Bureau
Federal Communications Commission
sdlee@fcc.gov

Les Selzer **
Federal Communications Commission
lselzer@fcc.gov

Ken Lynch **
Federal Communications Commission
klynch@fcc.gov

Pamela Megna **
Federal Communications Commission
pmegna@fcc.gov

Kimberly Cook **
Federal Communications Commission
kcook@fcc.gov

Cheryl Kornegay **
Federal Communications Commission
ckonegay@fcc.gov

Milka Salvi
Federal Communications Commission
msalvi@fcc.gov

Raj Kannan **
Federal Communications Commission
rkannan@fcc.gov

Robert Bentley **
Federal Communications Commission
rbentley@fcc.gov

Harry Wingo **
Federal Communications Commission
hwingo@fcc.gov

Deena Shetler **
Federal Communications Commission
dshetler@fcc.gov

G. Remondi **
Federal Communications Commission
gremondi@fcc.gov

Qualex International **
Federal Communications Commission
qualexint@aol.com

Meredyth Cohen **
U.S. Department of Justice
Antitrust Division
Telecommunications & Media
Enforcement Section
meredyth.cohen@usdoj.gov

Penny Baker **
Iowa Utilities Board
penny.baker@iub.state.ia.us

Jean Jewel **
Commission Secretary
Idaho Public Utility Commission
jjewel@puc.state.id.us

Chris Post **
Nebraska Public Service Commission
cpost@mail.state.ne.us

Patrick J. Fahn, Chief Engineer**
Public Utilities Division
North Dakota Public Service
Commission
pjf@oracle.psc.state.nd.us

Bruce Smith **
Public Utilities Commission
State of Colorado
bruce.smith@dora.state.co.us

Hogan and Hartson, LLP**
Counsel for Qwest Communications
International, Inc.
cjtibbels@hhlaw.com

Melissa Newman**
Qwest Communications International,
Inc.
mxnewma@qwest.com

Lori E. Wright
Lori E. Wright

** Denotes Electronic Transmission

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Application by Qwest Communications International Inc. for Provision of In-Region, InterLATA Services in Colorado, Idaho, Iowa, Nebraska and North Dakota	)	CC Docket No. 02-148

REPLY DECLARATION OF SHERRY LICHTENBERG

1. I am the same Sherry Lichtenberg who filed a declaration in this proceeding in conjunction with WorldCom's initial comments. The purpose of my reply declaration is to update the information I provided in my earlier declaration and also to respond to comments made by other parties. I will not repeat the analysis I provided previously.

2. The complex nature of Qwest's pre-order and order process has become even more clear in recent weeks. Qwest's complex processes forces WorldCom to spend far more time to place an order in the Qwest region than elsewhere, requires more development resources, and leads to an extremely high reject rate. Region-wide, Qwest rejected 37.8% of the orders it received from all CLECs via the IMA GUI in June and rejected 32.3% of the orders it received via EDI. (Perf Results, PO-4A-1, 4A-2, 4B-1, 4B-2). In July (through July 12), Qwest has rejected 32.5% of WorldCom's orders region-wide. As was the case in prior months, this is far higher than the reject rate in other regions in which WorldCom is offering its Neighborhood products in conjunction with Z-Tel. The average reject rate in those regions during the same time period was 16.8%, approximately half the rate in the Qwest region. (The reject rates on orders submitted through WorldCom's legacy systems in these other regions was lower still.) In the SWBT region, for example, the

reject rate in July was 11.4% on WorldCom orders placed through Z-Tel, and in the BellSouth region it was 14.1%. In each of these regions, WorldCom first began submitting orders through the Z-Tel systems in April of this year, as it did in the Qwest region, thus the reject rates should be similar if Qwest's systems are comparable to those in other regions.

3. The reason that reject rates are far higher in Qwest than elsewhere and that placement of orders is more complicated in Qwest than elsewhere is that critical OSS deficiencies exist in Qwest: (1) Qwest requires CLECs to perform an address validation function using the customer's full service address prior to pulling a Customer Service Record ("CSR"); (2) Qwest requires CLECs to place a service address on every order; (3) Qwest requires CLECs to place a special customer number ("cus code") on every order; (4) Qwest often returns multiple CSRs for a single customer; (5) Qwest requires CLECs to list the customer's pre-existing line class code and some pre-existing features on every order; (6) Qwest often takes more than a week to update a customer's CSR, and rejects supplemental orders until the CSR is updated.

4. The fact is that it is often only with commercial experience that OSS problems became apparent. As a result of extremely high UNE prices that existed until shortly before Qwest filed its section 271 application, there was very little commercial entry in the Qwest region by CLECs seeking to serve the residential market. The Department of Justice notes that the low market penetration for UNE-P residential service "may reflect the higher UNE pricing that was in effect for most of the period preceding this application." DOJ Eval. at 13. As the Department of Justice explains in its evaluation, with the exception of Iowa, where CLECs serve 1.9% of the market using UNE-P,

CLECs service no more than .5% of the residential market in any of the other 4 states at issue in this application using UNE-P. DOJ Eval. at 12. Indeed, even in June, Qwest received only 6,417 UNE-P orders via EDI in its entire region. (Qwest Perf. Results (PO-2A-2)). Moreover, as I previously explained, because Qwest's OSS is not fully regional and because many of the "UNE-P" orders Qwest has received are not real UNE-P orders but instead are a variant called UNE-E, Qwest's commercial experience is even less significant than it appears.[1] The result is that Qwest lacks the commercial experience that would have revealed critical OSS deficiencies and potentially led to correction of these deficiencies. As WorldCom has begun to gain commercial experience, such deficiencies have become apparent. These include not only issues leading to high reject rates and a cumbersome process but other important deficiencies as well.

Systems Issues Leading to High Reject Rate

5. In my prior declaration, I explained three of the systems issues that are contributing significantly to the high reject rate in the Qwest region: failure to allow migration by name and telephone number, inadequate integration of pre-order and order, and failure to allow CLECs to list only the features the customer now desires on the customer's migration order. Qwest has not responded effectively to any of these issues in its various *ex parte* filings. Nor has it agreed to alter its systems to fix these problems. As will be discussed further below, CLECs have ranked these changes relatively high during recent

[1] The Department of Justice indicates that Qwest's OSS is regional and can be evaluated on a regional basis. DOJ Eval. at 6-7. But the third party test sent separate test transactions in each of Qwest's three sub-regions because it could not be presumed the OSS was identical throughout the region. KPMG's regionality study concluded there were differences between the three sub-regions and Qwest agreed with this. Moreover, Qwest has recently relied on differences in OSS between the three sub-regions to justify different performance. It has, for example, explained that it takes less time to update Customer Service Records in one of the three sub-regions than the others.

prioritization of CLEC change requests. But the earliest Qwest will implement such changes will be April of next year.

6. I have now come to understand that the pre-order/order process in Qwest is even more complicated than I previously believed. In the Qwest region, a CLEC must first perform an address validation function before accessing the customer's CSR. Unlike in other regions, the CSR cannot be accessed simply with the customer's telephone number. The customer's full service address must be entered. Because customer service representatives sometimes err in typing addresses, however, and this could lead the representative to pull the wrong CSR, Qwest has told CLECs they should first perform an address validation function before even accessing the CSR. This is an extra step that CLECs do not have to perform for migration orders in other regions. Moreover, the address validation function also requires the typing of the full service address, rather than just the telephone number. In other regions, if a CLEC wishes to use the address validation function, an optional step, only the telephone number is required.

7. Once the customer service representative has typed the address into the address validation function, Qwest will often return multiple addresses. In some cases, the customer's prior addresses will be returned along with his current address. In other cases, the addresses of prior owners of the relevant telephone number will come up. And in still other cases the new addresses of former residents of the entered-address will appear. The customer service representative must then determine the proper address by discussing it with the customer and then pull that address to use in the CSR inquiry.

8. Once the customer service representative has determined the proper address, the representative then performs the CSR inquiry by using that address and the customer's

telephone number. Unfortunately, despite requiring CLEC to include the address and telephone number as part of the CSR inquiry, Qwest frequently returns more than one CSR in response to the CSR inquiry. This can include CSRs that used to belong to the customer, for example. It can also include CSRs of different customers – for reasons that WorldCom does not understand. It appears that Qwest's systems provide multiple CSRs approximately 10% of the time in response to a CSR inquiry.

9. The CLEC must then determine which is the correct CSR. Although there is an indicator on the CSR that says whether that particular CSR is "live" (working), this indicator is not always correct. WorldCom has found instances in which there is more than one CSR listed as live in response to a single CSR inquiry. The CLEC must therefore determine by asking the customer which CSR is correct. Like the steps involved in service address validation, this step adds time to the pre-order stage while the customer is on the line – decreasing the efficiency of the representative and potentially angering the customer.

10. At the moment, this last step is a theoretical one as far as WorldCom is concerned. Because WorldCom (and Z-Tel) had no reason to anticipate that Qwest would return multiple CSRs, the Z-Tel interfaces were not built with the capacity to pull multiple CSRs to the desktops of the WorldCom customer service representatives. For now, when there are multiple CSRs, the representative will get an error message in response to a CSR inquiry. The representative will have to attempt to complete the order based on information available to him from the customer, without access to the CSR, a process that very probably will result in a reject. Z-Tel hopes to complete development work that will allow multiple CSRs to be displayed on the desktops of WorldCom customer service

representatives. But this is significant development work that should not have been required. No other ILEC returns multiple CSRs at the pre-order stage.

11. Once the representative finally has pulled the correct CSR, Qwest's ordering process remains cumbersome. Numerous pieces of information must be pulled from the CSR and placed on the order. None of this information is required by any other BOC for a UNE-P migration order. First, as I described in my initial declaration, the CLEC must place the complete service address on the order. Second, the CLEC must place information regarding the customer's existing features and line class codes on the order. This information is slightly different than I previously thought, however. In my prior declaration, I said that the CLEC must place every existing feature on the order, as well as every new feature. This needs to be modified somewhat. For line class codes, the CLEC must place the customer's existing code on the order, just as I indicated. There are hundreds of possible line class codes in Qwest. With respect to features, however, the CLEC must only place the customer's current features on the order if the customer wishes to keep those features as a CLEC customer. If, for example, the customer has caller ID and wishes to keep caller ID, the CLEC must list caller ID as a current feature and as a new feature, along with a code indicating the customer wishes to keep the feature the same. If the customer wants to add an entirely new feature, the CLEC must include a code indicating the feature is new. If the CLEC treats an existing feature as a new feature or a new feature as an already-existing one, the order will reject. Thus, the CLEC must determine which features are already on the account and place the proper codes on the order to show which of these features the customer wishes to keep and which new features he would like to add.

12. Third, and something that I did not highlight previously, the CLEC must place a "customer code" on each order. Apparently, Qwest assigns each retail customer a unique customer code and the CLEC must place this code on a migration order for it to be processed correctly. Again, this unnecessary piece of information must be retrieved from the CSR and any difficulty in transferring this information to the order (or any internal Qwest error in placing the code on the CSR) will lead to rejection of the order.

13. Each of these requirements is unique to Qwest. In other regions, CLECs do not have to retrieve a service address prior to entering an order. If they do perform an address validation, they can do so using a telephone number without entering the address. When CLECs perform a CSR inquiry in other regions, only one CSR is retrieved. Moreover, integration of pre-order and order is much simpler because CLECs do not need to pull significant information from the CSR to place a basic migration order. They do not have to include a line class code, or existing features, or the customer code on an order. They also do not need to include the service address. Thus, none of these pieces of information are a source of possible rejects.

14. The requirements in Qwest cause several difficulties for CLECs. First, they force CLEC customer service representatives to spend too much time on the line with customers. Performing an address validation function, choosing among multiple addresses, and potentially choosing among multiple CSRs while the customer is on the line adds significant time to the pre-order process. It is vital for CLECs in a mass market environment to be able to reduce the time that customer service representatives spend on the phone with each customer..

15. Second, the complexity of Qwest's systems adds significantly to CLEC development costs. The complexity has made it far more difficult to develop integrated pre-order and order functions. It is also forcing Z-Tel to work with its vendors to develop a method of displaying multiple CSRs on the desktops of customer service representatives.

16. Third, the complexity is a direct cause of the high reject rate. The need to include a service address, line class codes etc. makes it much more difficult to integrate pre-order and order successfully. Moreover, if the CLEC does not choose the correct address through the address validation function or the correct CSR through the CSR inquiry, the order will reject. It also appears that Qwest will reject an order if the CLEC has not performed a required pre-order function, such as address validation, even if the CLEC places the proper information on the order.

17. In its evaluation, the DOJ noted the high reject rate in the Qwest region, DOJ Eval. at 14-15, but suggested the reject rate was similar to that which existed in BellSouth. DOJ Eval. at 15 n. 61 (citing *Ga/La Order* App. B at 14-15). However, the BellSouth numbers actually show reject rates of between 12.75% and 14.33% on UNE-P mechanized orders in the last three months for which BellSouth provided data during its application. *Id.* BellSouth's reject rate for partially mechanized UNE-P orders was approximately equal to the rate of rejection in the Qwest region for overall UNE-P orders, including mechanized orders. Thus, the overall reject rate in BellSouth was much lower than the reject rate in Qwest. Moreover, in the BellSouth region, unlike the Qwest region, WorldCom's reject rate was similar to that in other regions by the time BellSouth filed the applications that ultimately received approval.

18. At least as important, Qwest cannot blame CLECs for the high reject rates that exist in the Qwest region. First, Hewlett Packard itself experienced very high reject rates during testing. Second, the fact that WorldCom's reject rates are much higher in the Qwest region than elsewhere strongly suggest that Qwest is responsible. Third, as the DOJ noted, DOJ Eval. at 16, the fundamental causes of high reject rates in the Qwest region were not present in prior applications: the requirement to include a service address on every order, the requirement to list a customer's existing features on every order, and the other systems issues discussed above. The DOJ did not resolve these issues, instead stating that it would evaluate the integration issues as relevant to the degree and adequacy of manual handling. DOJ Eval. at 16. But in reality, the primary impact of high reject rates caused by Qwest's deficient OSS is on the CLECs' side of the interface. It is the CLEC that must spend time and effort attempting to correct the rejects and resubmit them. It is the CLECs' customers whose orders are delayed as a result.

19. In *ex parte* filings on July 25 and July 26, Qwest indicates that during the third-party test, Hewlett Packard managed to successfully integrate pre-order and order functions and that a CLEC called New Access did so commercially. But the reject rate Qwest provides in its *ex parte*, at least with respect to Hewlett Packard, and presumably with respect to New Access as well, pertains to fatal rejects only. As for fatal rejects, the *ex parte* actually shows a very high percentage of fatal rejects, which are ordinarily quite low.

20. Moreover, the total percentage of orders returned to Hewlett Packard for correction is provided in the test report and was well over 30% -- 33.6% in the Eastern region, 40.5% in the Central region, and 32.1% in the Western region, using interfaces that ostensibly had been integrated. Even if the errors did not result from integration issues per se, the

complexity of Qwest's requirements surely contributed significantly. If Qwest did not require transmission of address information, for example, there would be no address errors.

21. As for New Access, I do not know how many orders New Access has placed or what its mix of orders is or what its reject rate is when non-fatal rejects are included. But it is likely that the order volume is low and that it includes resale orders rather than UNE-P orders. Moreover, New Access did not even complete integration until June, hardly sufficient time to evaluate reject rates. But it is clear that for most CLECs the complexity of Qwest's systems continues to cause significant problems, resulting in very high average reject rates. During testing, HP noted the significant challenges in developing a successfully integrated pre-ordering/ordering interface. LN-OSS 11 at 9, 25-27. There is no reason it should be so difficult to develop an integrated interface. And whether or not it is problems with integration or more general systems and documentation issues that are the cause, it is clear that the complexity of Qwest's systems continues to cause high reject rates. The reject rate in the Qwest region is simply too high and there is no immediate prospect of any change.

22. The reject rate on supplemental orders WorldCom submits to correct rejects is also extremely high in the Qwest region, adding to the difficulty of serving customers. While the "re-reject" rate is high everywhere that WorldCom is submitting orders through Z-Tel systems, it is much higher in the Qwest region than elsewhere. In June, the "re-reject" rate was a staggering 77.8% in the Qwest region as compared with 54.7% on orders submitted through Z-Tel in other states. The week of July 7-12, the re-reject rate was 88.0% in the Qwest region compared with 60.1% elsewhere.

23. Two key OSS changes would significantly reduce most of these problems. Qwest should enable CLECs to place orders based on customer name and telephone number – without the need for a service address or customer code. And Qwest should adopt the industry standard version of migration as specified – in which a CLEC need list only the features a customer desires in the future – without regard for whether the customer already has those features or the customer's existing line class code. These changes would eliminate the need for a CLEC to perform an address validation on a UNE-P migration order, would make pre-order/order integration far simpler, and would significantly mitigate the harm caused by Qwest's return of multiple CSRs. (Of course, it would be better still if Qwest also cleaned up its databases and stopped returning multiple CSRs.)

24. None of the changes would require much effort from Qwest. Other BOCs were able to implement migration by name and telephone number (or a slightly different variant – migration by name and street number) quickly once they decided to do so. Similarly, all have implemented ordering processes that required CLECs to list only the customer's new features on migration orders – the industry standard version of "migrate as specified." They did so early in the process of OSS development. This should be particularly easy for Qwest, because it apparently once allowed customers to place orders using just such a process before unilaterally determining that this was not in the CLECs' best interest and implementing its current process.

25. CLECs have now prioritized the industry standard version of migration as specified second in change management. They have prioritized migration by name and telephone nineteenth. In addition, CLECs prioritized third an AT&T request that would enable CLECs to retrieve CSRs without entering the customer's name and address. Each of

these change requests is critical and must be implemented before Qwest gains section 271 authority.

26. But Qwest will not implement any of the prioritized changes until April 2003. Moreover, WorldCom's change request for migration by name and telephone number may well not make it into the April 2003 release and may be postponed until August 2003 or even later. Although CLECs prioritized the request quite high – nineteenth – there may be insufficient release space in April for this change to make it into the release. Presumably, the reason that CLECs did not prioritize the change even higher is that many smaller CLECs primarily desired changes necessary to facilitate ordering via the IMA GUI, rather than EDI, especially since Qwest indicated that the migration by name and telephone number functionality would take significant release space.

27. This should not obviate the necessity for Qwest to implement migration by name and TN prior to gaining section 271 authority. The fact that there are also significant limitations in Qwest's IMA GUI that smaller CLECs want fixed (e.g., Eschelon Comments at 6-7 (discussing cumbersome nature of GUI) should not eliminate Qwest's obligation to make changes necessary for effective ordering by larger CLECs via EDI. At present, the complexities of Qwest's pre-order/order process deny such CLECs a meaningful opportunity to compete.

Difficulties in Placing Orders for Account Maintenance

28. The complexity of Qwest's systems not only makes it difficult for CLECs to place initial orders. It also makes it difficult for CLECs to place orders to change features or perform other "account maintenance." The CLEC should not have to access Qwest's systems at

all to place such orders because the customer's address information and other information has already been imported into the CLEC's systems.

29. Nonetheless, Qwest forces CLECs to perform pre-order functions even on these "Move, Add, Change, Delete" or "MACD" orders. When a customer migrates to a CLEC, Qwest changes the customer code for that customer. Thus, the customer code the CLEC obtained from the CSR when it submitted its initial order is not the proper customer code when the customer submits a MACD order. Even though the customer is now the CLEC's customer and the CLEC is maintaining its own records for the customer, the CLEC must access Qwest's systems and obtain the new customer code in order to place a MACD order. This adds significantly to the time and expense of placing such orders and to the development cost involved in placing such orders.

30. Moreover, Qwest rejects MACD orders if it has not yet updated the customers CSR to reflect the fact that the customer is now owned by a CLEC. While other BOCs do this as well, the problem is much more acute in the Qwest region. Qwest has informed WorldCom that it normally takes 5-7 days to update a CSR and can take up to 30 days. That is far too long. Customers frequently request a feature change on their account soon after placing an order, as they change their minds as to what features they desire. CLECs need to be able to submit orders for such a change quickly after submitting the initial orders. WorldCom's reject rate on MACD orders is 29.0%; presumably, much of this is the result of BellSouth's failure to update the CSRs quickly enough. The reject rate should be much lower than on initial orders, because WorldCom has already obtained the customer's address and feature information and successfully submitted it to Qwest on its initial order.

31. AT&T submitted a change request to alter the time frame for updating the CSR to 24 hours. In other BOCs, it typically takes a day or two to update the CSR, not the 5-7 days it takes in the Qwest region. Nonetheless, Qwest has indicated that it will not accept AT&T change request, meaning that this problem will continue.

Transmission of Jeopardies After FOCs

32. As I previously discussed, during the third-party test, Qwest repeatedly returned rejects after transmitting firm order confirmations ("FOCs"). Rather than resolving this problem, Qwest apparently transformed the rejects into jeopardies and began submitting jeopardies after FOCs.

33. Qwest attempts to justify transmission of jeopardies after FOCs. Qwest July 10 *ex* parte letter, Tab 6. But most of the reasons Qwest lists explain why Qwest would submit a real jeopardy after a FOC, not why it would transmit a jeopardy that is actually a reject. For example, Qwest says that it will transmit a jeopardy as a result of a customer-caused delay. That is indeed perfectly appropriate, but is irrelevant to the issue at hand since this is not a jeopardy that should be a reject. Qwest does acknowledge that one of the reasons it transmits jeopardies after FOCs is that "[t]he CLEC LSR is not complete and accurate. The Qwest center overlooks the error prior to creating service orders and issuing the FOC. The error is then detected in provisioning. For example, the CLEC has omitted supplemental address information that is required." *Id.* Indeed, it was for just this type of reason that WorldCom received jeopardies after FOCs. But errors such as address errors should be found before a FOC is transmitted, not afterwards. And a reject, not a jeopardy, should be transmitted for such errors.

34. Additionally, in those instances where Qwest should send jeopardies, it must send them on time. Qwest's performance in returning jeopardy notices remains poor. (Per Results (PO-8D)).

Manual Processing

35. Qwest has submitted no new information to refute the fact that it processes too many orders manually and makes too many errors during the course of manual processing – even at today's low order volumes. Indeed, the new data submitted by Qwest show that manual processing remains high – only 50.9% of UNE-P orders flowed through in June (Performance Results (PO-2A-2)) and only 86.5% even of eligible UNE-P orders flowed through (Performance Results (PO-2B-2)). Moreover, flow-through performance is poor for every CLECs that is submitting a high number of orders. The highest flow through percentage for any CLEC that had submitted at least 5,000 LSRs was 76.24% -- not a very high flow through rate for the very best CLEC. July 12 *ex parte.*

36. The high level of manual processing harms CLECs. Qwest claims that its manual processing is not error prone, but as the Department of Justice notes, KPMG found significant errors during testing. DOJ Eval. at 20-21. The Department of Justice further concludes that the data that Qwest submitted to show it processes service orders accurately was limited to analysis of a single field (the APP date field). DOJ Eval. at 22 n. 97. Qwest subsequently submitted one month of data regarding service order accuracy, but that data actually shows very poor performance – a nearly 10% error rate on POTS resale orders (Perf. Results (PO-20)). Even if the results were far better, one month of data based on today's very limited order volume would show very little – especially since no one has audited these performance results.

37. In addition, Qwest itself has acknowledged significant manual errors historically. For example, Qwest's own data show that a high percentage of manually processed LSRs are immediately rejected by the Service Delivery Coordinators, indicating a high level of manual errors. July 12 *ex parte.* Qwest also states that "Liberty's aggregate results demonstrate that 6% of historic unbundled loop orders contain human error" although Qwest states that the errors did not harm CLECs. Qwest July 10 *ex parte* letter, Tab 5. The percentage of manually processed loop orders with errors is presumably much higher than the percentage of all loops with errors. And whether or not these particular errors harmed CLECs, the existence of such a high number of manual errors makes harm to CLECs inevitable. Especially in the absence of reliable, long term, audited data on service order accuracy, there is no basis for concluding that Qwest can perform acceptably with existing levels of manual processing. Certainly, there is no evidence that Qwest can do so with commercial volumes of orders.

38. The Idaho Public Utilities Commission acknowledges in its Comments the problems with high levels of manual processing (pp. 6-7). It suggests the problem can be resolved with additional reporting and monitoring. But the problem should be resolved prior to section 271 authorization, not after.

Long Processing Time for UNE-P Orders

39. Nothing has changed since I filed my last declaration with respect to the length of time that Qwest takes to process basic UNE-P migration orders. If any change of features is required on such an order, as is required on all of WorldCom's Neighborhood orders, the earliest that a CLEC can request for completion of the order is 3 days. This is far too

long. In every other BOC, the interval is same day in, same day out for a UNE-P migration order.

Maintenance and Repair

40. Qwest's performance data continues to show that it frequently fails to fix troubles on CLEC UNE-P lines when it tries to do so – even on lines for which no dispatch is required. Qwest failed to fix such troubles 16.7% of the time in June. (Performance Results (MR-7C)). As in prior months, this is out of parity with retail performance.

Lack of Auditable Electronic Bills

41. The Department of Justice properly emphasized that Qwest has not shown that it provides auditable electronic bills. The CABS BOS bills for which BellSouth provided a test file on July 1 have been implemented too recently to enable BellSouth to use them as a basis to claim it has auditable electronic bills, as the DOJ found. DOJ Eval. at 23. The CRIS bills that were the only electronic bills Qwest provided when it applied for section 271 authority are not fully auditable.

42. Qwest says that its CRIS bills are auditable. Qwest states that its CRIS bills provide individual bill detail for each end-users' account, as well as summary information. Qwest July 10 *ex parte* letter, Tab 1 at 2-3. But read carefully, Qwest does not say that its CRIS bills contain the USOCs for recurring charges that Qwest itself acknowledges are "important for bill validation." *Id.* at 4. Qwest says that these are provided on the BOS bills but not on the CRIS bills. That was exactly my point in my original declaration. Qwest also does not dispute that it fails to provide service address and adjustment detail on the CRIS bills. Without the USOCs and other detail information, electronic auditing cannot be complete. Moreover, the non-standard nature of CRIS

causes significant problems especially since Qwest's CRIS bills vary in each of its three regional centers.

43. The ability to audit bills is critical. Eschelon describes in its comments substantial billing problems. CLECs must have the means to determine whether such problems exist on their bills.

Change Management

44. With respect to change management, as I explained in my initial declaration, Qwest only recently implemented an acceptable change management proposal. There is not yet any track record to show this new process has been successfully implemented. Although the DOJ states that Qwest has demonstrated a pattern of compliance with some earlier-implemented components of the change management plan, DOJ Eval. at 26, the fact is that Qwest actually deviated significantly from its plan. Lichtenberg Decl. ¶ 77. Eschelon points to further deviation in its Comments (pp. 4-6). Moreover, as I explain below, Qwest has not implemented change requests for inclusion of additional products in its new SATE test environment. Thus, it is vital that Qwest show a pattern of compliance with the new plan. This it has not done.

Lack of an Independent Test Environment That Mirrors Production

45. Qwest also has not made any improvements in SATE to make it better mirror the production environment. The Colorado PUC described SATE as a "significant 'loose end'" remaining in the application. Colorado PUC Comments p. 52.

46. In its *ex parte* filings, Qwest acknowledges an approximately 22% variance in the error messages coded into SATE with those in production. July 15 *ex parte* at 2. Qwest includes a long list of error responses that differ between SATE and production. Qwest

July 10 *ex parte* letter, at Tab 14. Among the error messages missing in SATE are common errors such as "No exact match was found for the address provided....Multiple addresses were found for the address"; "Unable to Validate Address"; and "Due date requested has passed." Qwest seems to believe that publication of the list of differences means it is acceptable for such disparities to exist. This is not so. If CLECs receive a different message in the test environment than is expected in production, they are not assured of what the response will be in production. Moreover, the error responses are not all that differs. As I previously explained, when CLECs send a pre-order inquiry with the thoroughfare "DRIVE," and the proper designation is "DR," Qwest will respond that there is no match in SATE but will respond that there is a near match or exact match in production. Lichtenberg Decl. ¶ 87. This not a difference in error messages. And there are likely many other differences of this sort. Qwest does not discuss such differences in its *ex parte* filings.

47. Finally, there are 26 products that cannot be tested in SATE. Although CLECs may not ever order some of these products, CLECs did submit change requests asking that 10 of them be coded into SATE. Some of these have been outstanding for 7 months or more.

48. The DOJ relied on this Commission's prior Orders to conclude that a test environment does not have to be identical to production. DOJ Eval. at 29. But the Commission's prior conclusions on this point indicated that a test environment did not have to mirror flow-through or response times of production. The Commission did not conclude that it was acceptable for a BOC to establish a test environment in which CLECs received different responses than they would receive in production. This significantly undermines the significance of any results obtained during testing.

49. The DOJ also relies on the fact that SATE's accuracy has been close to the benchmark of 95 percent compliance with documentation and business rules. DOJ Eval. at 30. Even if this is so, however, this does not show that SATE is adequate. Depending on what the business rules and documentation say, SATE could be 100% compliant with the business rules and documentation, yet yield completely different results than the production environment. As the DOJ notes, Qwest does not yet measure the extent to which SATE mirrors real-world production results. DOJ Eval. at 30. As DOJ says, this is a "large, unresolved concern." DOJ Eval. at 30. SATE should mirror production before Qwest enters the long distance market.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on: July 29, 2002 Sherry Lichtenberg

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Consolidated Application for Authority	)	
to Provide In-Region, InterLATA Services	)	WC Docket No. 02-148
in Colorado, Idaho, Iowa, Nebraska	)	
and North Dakota	)	
	)	

REPLY DECLARATION OF CHRIS FRENTRUP ON BEHALF OF WORLDCOM, INC.

Based on my personal knowledge and on information learned in the course of my duties, I, Chris Frentrup, declare as follows:

I. INTRODUCTION AND SUMMARY

1. My name is Chris Frentrup. I am employed by WorldCom, Inc. ("WorldCom") as a Senior Economist in the Public Policy Analysis Group of the Federal Advocacy organization. I am the same Chris Frentrup who filed a declaration with WorldCom's initial comments in this docket.

2. This Reply Declaration revises the analysis contained in my initial declaration to reflect two modifications made by Qwest and responds to Qwest's arguments regarding minutes-of-use assumptions. First, on June 28, 2002, Qwest filed an *ex parte* letter that corrected some of the rates that it used in its benchmark analysis.[1] Second, in an *ex parte*

1 See Letter from Peter Rohrbach, Qwest, to Marlene H. Dortch, Secretary, FCC, June 28, 2002, WC Docket No. 02-148, Attachment at page 4 ("June 28 Ex Parte").

letter filed on July 22, 2002, Qwest clarified its reporting of minutes and lines in ARMIS.[2] In addition, Qwest has acknowledged that the exchanges it sold should be removed from the Synthesis Model (SM) before computing unbundled network element (UNE) costs, and has provided revised results of the SM reflecting that change.[3] My revised analysis incorporating these three changes finds that Qwest's proposed revisions to its UNE rates still leave switch usage rates overstated by 40.5 percent in North Dakota and 21.8 percent in Nebraska. The sale of exchanges lowers the SM's estimate of loop costs and results in a reduction in loop rates of 0.9 percent in Idaho, 2.9 percent in Iowa, and 8.4 percent in North Dakota.[4]

II. DATA RECENTLY FILED BY QWEST CONFIRMS WORLDCOM'S PREVIOUSLY ESTIMATED RATE REDUCTIONS RESULTING FROM SOLD EXCHANGES

3. In my initial declaration, I noted that the SM results on which Qwest relies to perform its benchmark analyses included wire centers in Idaho, Iowa, and North Dakota that Qwest has sold. Since I did not have access to the wire center demand needed to run the SM, I estimated the effect on SM costs of removing the sold exchanges based on the wire center expense modules provided by the Commission. In its July 22 Ex Parte, Qwest provided results of SM runs with the sold exchanges removed. These results confirm the estimates in my initial declaration – loop rates need to be reduced 0.9 percent in Idaho, 2.9 percent in Iowa, and 8.4

2 See Letter from David Sieradzki, Hogan & Hartson, to Marlene H. Dortch, Secretary, FCC, July 22, 2002, WC Docket No. 02-148, Attachment at page 29 ("July 22 Ex Parte").

3 See July 22 Ex Parte at Exhibits to Question #1.

4 The 8.4 percent reduction in North Dakota resulting from removing the sold exchanges is included in the total reduction of 40.5 percent required to account for both the sold exchanges and minutes-of-use assumptions.

percent in North Dakota.[5] Similarly, total non-loop costs in the SM fell by 2.1 percent in Iowa and by 14.2 percent in North Dakota after removal of these exchanges.[6]

III. QWEST'S RECENTLY FILED DATA CONFIRMS WORLDCOM'S PREVIOUSLY ESTIMATED RATE REDUCTIONS RESULTING FROM REMOVING SOLD EXCHANGES

4. In my initial declaration, I explained that Qwest's use of a standard set of demand in all states to compute the benchmark was inconsistent with Commission precedent. I had computed minutes of use per line in each state by dividing ARMIS data for dial equipment minutes (DEM) by the sum of lines reported by Qwest in ARMIS and unbundled loop, UNE platform, and resale loops reported by Qwest in its brief. In the July 22 Ex Parte, Qwest states that the lines data in ARMIS already include resale loops, and that unbundled loops do not generate DEM and thus should not be included in this analysis.[7] I have revised my computed minutes per line to reflect these facts by removing unbundled loop and resale lines from the line counts in each state. The revised data are reported in Table 1, attached.

5. In *ex parte* letters, Qwest has made several arguments against using state-specific data.[8] First, although it acknowledges that it possesses state-specific minutes of use per line by state, it claims that it does not possess studies that would show state-specific data on the splits between interoffice and intraoffice calls, between originating and terminating calls, or between tandem and direct routed calls, all of which are necessary to perform the benchmark

5 As reported by Qwest, the SM loop cost fell from $18.21 to $18.05 in Idaho, from $14.69 to $14.26 in Iowa, and from $15.87 to $14.54 in North Dakota.
6 As reported by Qwest, the SM non-loop costs fell from $4.29 to $4.20 in Iowa and from $5.13 to $4.40 in North Dakota. Reported non-loop costs in Idaho would also have declined, except that Qwest discovered it had incorrectly excluded one of its Idaho properties in its initial benchmark analysis. Including this second property, and removing the sold exchanges changed the SM non-loop costs from $4.11 to $4.12, a 0.2 percent increase.
7 See July 22 Ex Parte at page 29.

analysis.[9] Qwest does not explain why it would be improper to use the state-specific minutes described above in conjunction with the Commission's standard assumptions on these items. Use of the state-specific minutes with the standard mix assumptions will better reflect the different market conditions in the states than will the use of the same set of minutes in all the states.

6. Qwest also claims that using the standard assumptions for all states will allow it to simplify its multi-state applications.[10] However, developing the state-specific minutes of use in the manner described above is a straightforward process that is not burdensome. Finally, Qwest claims that use of state-specific minutes does not systematically result in higher rates - some states will be allowed higher rates under the state-specific minutes of use, and some will be allowed higher rates using the standard assumptions.[11] In fact, Qwest claims, using minutes of use from 2001 rather than the standard assumptions would result in a lower benchmark in only 7 of the 13 states in which it has used or plans to use the benchmark methodology. Even if this were correct, it would be irrelevant. The relevant question is whether state-specific minutes more accurately reflect the costs that will be incurred by purchasers of UNEs. As the Commission has already stated, the demand of the average customer is "the single most informed estimate" of potential CLEC demand.[12]

---

8 See July 22 Ex Parte, Attachment at 3-6.
9 See July 22 Ex Parte, Attachment at 3.
10 See July 22 Ex Parte, Attachment at 4.
11 See July 22 Ex Parte, Attachment at 4-5.
12 See Application by Verizon New Jersey Inc., Bell Atlantic Communications, Inc. (d/b/a Verizon Long Distance), NYNEX Long Distance Company (d/b/a Verizon Enterprise Solutions), Verizon Global Networks Inc., and Verizon Select Services Inc., for Authorization to Provide In-Region, InterLATA Services in New Jersey, WC Docket No. 02-67, Memorandum Opinion & Order, FCC 02-189, rel'd. June 24, 2002 ("NJ 271 Order") at ¶ 54.

7. In any case, use of state-specific minutes for the four states in this application that rely on the benchmark methodology would require large reductions for Nebraska and North Dakota (21.8 percent and 24.4 percent, respectively) and allow *de minimis* increases for the Iowa and Idaho. Qwest's implicit claim that use of the standard assumptions throughout its region would result in roughly the same rates overall is simply incorrect.

IV. CORRECTING FOR MINUTES-OF-USE ASSMPTIONS AND SOLD EXCHANGES REDUCES SWITCH USAGE RATES SUBSTANTIALLY IN NORTH DAKOTA AND NEBRASKA

8. The effect of making all the above-described corrections is to reduce switch usage rates substantially in North Dakota and Nebraska. Specifically, switch usage rates would be reduced by 40.5 percent in North Dakota and by 21.8 percent in Nebraska. Correcting just the minutes-of-use assumption would reduce switch usage rates 24.4 percent in North Dakota and 21.8 percent in Nebraska. The Excel workbooks that compute the switch usage rates for each state can be downloaded from http://www.qwest.com/about/policy/ldReentry/Fed271/month1/declarations/Dec_CostAnalysis.html. The minutes per line data from Table 1 can be entered in those workbooks on lines 1a, 2a, and 3a for Colorado, and on lines 1b, 2b, and 3b for the other states. The revised SM non-loop costs should be entered in line 33b, and the revised shared transport rates should be entered in line 9b.[13] Once these changes are made, the workbook recomputes the allowed switch usage rate. The rate should be cut to $0.001448 in North Dakota and to $0.001555 in Nebraska to meet the benchmark test.

13 Qwest also states that the local switching rate for North Dakota needs to be changed from $0.00260 to $0.002595. In the workbook on Qwest's website, the correct rate is already entered, although the number of significant digits in that cell is set so that the incorrect rate displays.

V. CONCLUSION

9. Qwest has incorrectly computed the benchmark test for the states included in this section 271 application. Significantly, using state-specific minutes and removing the sold exchanges will reduce Qwest's switch usage rate by 40.5 percent in North Dakota and 21.8 percent in Nebraska. The Commission should reject Qwest's section 271 application until Qwest lowers its rates to reflect these corrections to its benchmark analyses.

10. This concludes my Declaration on behalf of WorldCom.

I declare under penalty of perjury that the foregoing is true and correct. Executed on July 29, 2002.

Chris Frentrup

Chris Frentrup

TABLE 1

	2001 DEM			2001 Avg Lines			2001 DEM per Line				
	Total	State	Interstate		UNE-P lines	Total Lines	Local	LD	State	Interstate	Total
CO	75,679	63,489	12,190	2,815,265	79,406	2,894,671	1,742	86	1,828	351	2,179
ID	15,332	12,932	2,399	581,804	11,438	593,242	1,761	56	1,817	337	2,154
IA	32,071	27,827	4,244	1,133,083	110,471	1,243,554	1,736	128	1,865	284	2,149
ND	7,969	6,881	1,088	214,842	21,149	235,991	2,277	153	2,430	384	2,814
NE	15,264	12,897	2,367	486,046	4,446	490,492	2,074	117	2,191	402	2,593

Sources: 2001 DEM are from ARMIS 43-04, row 1216
2001 Avg Lines are the average of 2000 and 2001 Total Switched Access Lines from ARMIS 43-08
UNE-P lines from Qwest Brief, Page 19

	2000 State DEM			
	LD	Local	% LD	% Local
CO	3004270	60658451	0.0471904	0.952809589
ID	391149	12347089	0.0307067	0.96929332
IA	1920054	25982739	0.0688123	0.931187749
ND	435159	6464780	0.0630671	0.936932921
NE	689651	12242788	0.0533272	0.946672782

Source: NECA data for 2000